

Message Text

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ACTION ARA-10

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AMEMBASSY QUITO

AMEMBASSY SANTIAGO PRIORITY

C O N F I D E N T I A L LIMA 6538 (SECTION 1 OF 2)

EO. 11652: GDS

TAGS: PINS, PINT, PE

SUBJECT: CABINET SHAKEUP -- MOVE TOWARD POLITICAL CENTER

REF: LIMA 6534, LIMA 6536, LIMA 6537

SUMMARY. REMOVAL OF PRIME MINISTER FERNANDEZ MALDONADO, FOREIGN MINISTER DE LA FLOR AND OTHER LEFTIST CABINET MINISTERS REPRESENTS A SHIFT TOWARD THE POLITICAL CENTER OF THE PERUVIAN REVOLUTION. PRIME MINISTER ARBULU GALLIANI AND OTHER NEW MINISTERS ARE CONSIDERED TO BE MODERATE. CABINET SHAKEUP SHOULD STRENGTHEN PRESIDENT MORALES BERMUDEZ AND CABINET EXPECTED TO BE MORE POLITICALLY COHESIVE. REACTION OF TRADITIONAL POLITICAL PARTIES AND MIDDLE-CLASS EUPHORIC BUT GOP EXPECTS LEFTIST-INSPIRED, LABOR OR SOCIAL UNREST. END SUMMARY

1. GOP POLITICAL CRISIS CULMINATED JULY 16 IN THE REMOVAL OF PRIME
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MINISTER FERNANDEZ MALDONADO, FOREIGN MINISTER DE LA FLOR, AGRICULTUR

E
MINISTER GALLEGOS AND HOUSING MINISTER PAREDES. FIRST THREE
MINISTERS WERE THE MOST IMPORTANT HOLD-OVERS FROM THE VELASCO
PRESIDENCY AND ALL WERE IDENTIFIED WITH THE THOROUGHGOING, RADICAL,
NATIONALIST, THIRD WORLD REVOLUTION CHARACTERIZED BY VELASCO. IT
WAS FERNANDEZ MALDONADO WHO ANNOUNCED THE IPC TAKEOVER ON OCTOBER 9,
1968. AFTER THE REMOVAL OF VELASCO IN AUGUST 1975, FERNANDEZ
MALDONADO REMAINED THE PRIME SYMBOL OF MORE RADICAL POLITICAL
TENDENCIES WITHIN THE REVOLUTION. WHATEVER HIS PERSONAL INCLINATIONS
,
THE MARXIST LEFT IDENTIFIED WITH HIM AND NON-MARXISTS FEARED HIS
INFLUENCE. GALLEGOS WAS ALSO LINKED WITH THE "REVOLUTIONARY RADICALS
"
WHILE DE LA FLOR EXPOUNDED THE SOMETIMES STRIDENT ANTI-IMPERIALIST
THIRD WORLD THEMES OF THE FIRST PHASE.

THE CABINET CRISIS APPARENTLY DEVELOPED OUT OF THE FORCED
RETIREMENT OF CIMP COMMANDER BOBBIO AND THE "INSURRECTION" OF CIMP
STUDENTS AND STAFF. FERNANDEZ MALDONADO WON THAT TEST OF WILLS BUT
ENSUING DISCONTENT IN THE ARMY (AND NAVY AS WELL) GREW TO THE POINT
WHERE PRESIDENT MORALES BERMUDEZ WAS COMPELLED TO REMOVE HIS PRIME
MINISTER. AN ARMY GENERAL TOLD EMBOFF FOLLOWING CABINET SHAKEUP THAT
THE PRESIDENT HAD ACTED "TO SAVE THE ARMY". HE CLAIMED THAT THE
RESISTANCE OF CIMP CADETS WAS AN IMPORTANT FACTOR IN THE ARMY'S
DETERMINATION THAT "FOR THE GOOD OF THE ARMY AND PERU", FERNANDEZ
MALDONADO MUST GO. HE STATED THAT FERNANDEZ MALDONADO REPRESENTED A
"TENDENCY TOWARD COMMUNISM" AND THAT "THE PERUVIAN ARMY WILL NOT
FIDDLE WITH THE COMMUNISTS".

3. THE CLIMAX OF A WEEK OF MILITARY DISQUIET CAME JULY 16 WHEN ALL
75 ARMY GENERALS ARE SAID TO HAVE GATHERED WITH PRESIDENT MORALES
BERMUDEZ TO SETTLE THE QUESTION OF FERNANDEZ MALDONADO'S CONTINUANCE
AS MINISTER OF WAR IN THE FACE OF THE ARMY'S LACK OF CONFIDENCE IN
HIM. AN ARMY GENERAL TOLD EMBOFF THAT PRESIDENT MORALES BERMUDEZ MADE
E
THE EMOTIONALLY DIFFICULT BUT HEROIC DECISION OF ASKING FERNANDEZ
MALDONADO TO RETIRE IN ORDER TO END DIVISION WITHIN THE ARMY AND FOR
THE GOOD OF THE NATION. ARMY CHIEF OF STAFF GENERAL LUIS LA VERA,
ALLEGEDLY IDENTIFIED WITH FERNANDEZ MALDONADO'S LEADERSHIP OF THE ARMY,
Y,

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WAS ALSO ASKED TO RETIRE.

4. THE ENTIRE CABINET AUTOMATICALLY RESIGNED UPON THE RESIGNATION OF
THE PRIME MINISTER, THEREBY ENABLING MORALES BERMUDEZ TO
ACCEPT THE RESIGNATIONS OF FOREIGN MINISTER DE LA FLOR,
AGRICULTURE MINISTER GALLEGOS AND HOUSING MINISTER PAREDES (PAREDES
HAD BECOME UNACCEPTABLE TO CONSERVATIVE ADMIRALS). IN THE ENSUING
CABINET REORGANIZATION, THE NUMBER OF MINISTERS WAS RAISED TO 18

AS THE NATIONAL INTEGRATION OFFICE, HEADED BY ADMIRAL JORGE DUBOIS, WAS ELEVATED TO CABINET LEVEL. THE NAVY NOW CONTROLS FOUR MINISTRIES

,
PUTTING IT ON PAR WITH THE AIR FORCE. NEW FOREIGN MINISTER DE LA PUENTE

JOINS FINANCE MINISTER BARUA AS HE BECOMES THE SECOND CIVILIAN WITH FULL CABINET STATUS. THE MOST IMPORTANT CHANGES ARE IN THE ARMY. IN KEEPING WITH THE SENIORITY PRINCIPLE, GENERAL GUILLERMO ARBULU GALLIANI, WHO HAS BEEN CHIEF OF THE JOINT COMMAND, BECOMES WAR MINISTER AND THEREBY PRIME MINISTER. HE IS CONSIDERED "CENTRIST" WITHIN THE REVOLUTION. (EMBASSY BIOGRAPHIC DATA ON NEW MINISTERS WILL FOLLOW.) AN ARMY GENERAL TOLD EMBOFF THAT ARBULU IS LIKELY TO BE REPLACED AT THE JOINT COMMAND BY A NAVY ADMIRAL. THIS, PLUS THE NEW MINISTRY HELD BY THE NAVY, MAY ATTEST TO THE NAVY'S ACTIVE ROLE IN EVENTS LEADING TO THE REMOVAL OF FERNANDEZ MALDONADO. THE NEW CABINET WILL BE SWORN IN AT 12 NOON JULY 17.

5. OTHER CABINET CHANGES MAY FOLLOW IN THE COMING WEEKS. WELL-CONNECTED POLITICAL SOURCE TOLD EMBOFF THAT NAVY MINISTER PARODI HAD TO BE PRODDED INTO ENERGETIC OPPOSITION TO FERNANDEZ MALDONADO AND WAS LIKELY TO BE REPLACED. THE SAME SOURCE SAID THAT THE AIR FORCE MAY FORCE OUT THE "INEFFECTUAL" AIR MINISTER POGGI. OTHER UPCOMING CHANGES INVOLVE CABINET-LEVEL POSITIONS, INCLUDING THE CHIEF OF THE (COAP) AS WELL AS SENIOR ARMY POSITIONS.

6. MORALES BERMUDEZ APPEARS TO BE CONSIDERABLY STRENGTHENED FOLLOWING THE LONG-ANTICIPATED SHOW-DOWN WITH FERNANDEZ MALDONADO. SOME ARMY GENERALS FEEL HE WAITED TOO LONG BUT IN THE END EXERCISED THE LEADERSHIP EXPECTED OF THE PRESIDENT. WITH THE REMOVAL OF THE MORE RADICAL MEMBERS IDENTIFIED MORE WITH POLICIES OF THE VELASCO YEARS THAN WITH MORALES BERMUDEZ, THE PRESIDENT NOW HAS A MORE POLITICALLY UNIFIED AND CENTRIST CABINET MORE AMENABLE TO HIS LEADERSHIP.

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